

## Important Dates and Reverse Timeline in Constructing a Health Benefits Exchange under PPACA

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<b>Date</b>	<b>Issue</b>	<b>Decider</b>	<b>Choices</b>
January 1, 2016	Whether to allow larger (than 100 FTE) firms to enter the Exchange	State, IF exchange is state run  Secretary of HHS if HBE is federal	Any size larger than 100 FTE, or no size limit. State can revisit changing limit, above 100, anytime from now on
January 1, 2016	Firms with fewer than 100 will be allowed into the Exchange	Automatic, if not done already by now	
January 1, 2015	How to make exchange self-financing	State legislature + governor, IF HBE is state run  IF exchange is federal, the exchange will be federally financed	Tax percentage of premiums paid (must also define WHICH premiums); tax percentage of money spent on designated health services; General fund appropriations
January 1, 2014	How best to risk adjust across plans, inside and outside the Exchange, as well as regulate the "outside" market so as to minimize adverse selection against the Exchange	Exchange operational leadership, Bureau of Insurance, state legislature and governor	Risk adjustment mechanisms, regulatory environment re: allowed benefit packages and insurer conduct outside the Exchange
January 1, 2014	How to certify that health insurance plans are qualified health plans	Exchange operational leadership, whether State or Federal	Must certify if plans meet essential health benefits and actuarial value standards (as defined by PPACA and HHS regulation)
January 1, 2014	Whether HBE is operational	Potential customers, both individuals and employers	To buy in the exchange, or not

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July-October 2013	Whether insurers choose to sell through the HBE, i.e., to enter the new market	Insurers licensed in the state, multi-state plans coordinated by OPM	To sell in the exchange, or not
January 1, 2013	Whether state has made adequate progress in creating a Health Benefits Exchange (HBE) capable of fulfilling the functions, as laid out in PPACA, by 1/1/2014; HHS will assess state legislation, executive branch actions, governance body actions, and the following 3 specific elements:	Secretary of US Department of HHS	Whether to allow the state's choices to proceed, to designate a local non-profit to run it, or to take over and operate the HBE as a federal entity
Must be operational 1/1/2014, must be in motion by 1/1/2013	Reporting system with HHS on all dimensions of HBE performance, including: premium levels and growth, plan performance on quality, etc.	State legislature and governor and Exchange governance structure	To create, or not
Must be operational 1/1/2014, must be in motion by 1/1/2013	Communication system with IRS to track premium and cost-sharing tax credits ultimately paid to plans on behalf of subsidized enrollees (those with incomes between 133% and 400% of poverty)	State legislature and governor and Exchange governance structure	To create, or not

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Must be operational 1/1/2014, must be in motion by 1/1/2013	One-stop eligibility determination and enrollment system that is capable of serving Medicaid-eligibles (those with income below 133% of poverty), those who would be eligible for tax credits/subsidies within the HBE (with incomes between 133-400% of poverty plus small, low-wage employers), and those who would buy through the exchange but not be eligible for tax credit subsidies	<p>State legislature and governor and Exchange governance structure</p> <p>HHS issued guidance (11/3) and offered both TA and grant funding to states to study and create these</p> <p>HHS must also issue guidance on common income definition to be used within Medicaid and exchanges going forward (has already?)</p>	<p>To apply for federal technical assistance, per RFA for Cooperative Agreements to Support Innovative Exchange Information Technology Systems , deadline 12/22/10;</p> <p>To decide to make operational the IT system suggested by this technical process or some modified version: deadline 1/1/2013</p>
2011 and beyond	Rate review of premium increases, for purposes of determining whether premium increases are “excessive,” a judgment of which could keep insurers out of the Exchange	HHS and state bureaus/departments of insurance will work together to establish a process, HHS draft guidance on this is expected before January 2011, HHS will determine if premium increases are “excessive” in consultation with the state B/DOIs	<p>First, to establish a rate review process (federal grants and TA were made available to states in 2010)</p> <p>Second, for each licensed insurer every year, are their premium increases “justified” or “excessive”?</p>

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<p>September 2010-March 2013</p> <p>This must be decided in time for insurers and consumers to know “where” their market will be, especially for insurers so they can formulate prices/bids in time for enrollment starting in January 2014. It must also be decided before the final construction design of the information systems necessary to operate an exchange.</p>	<p>Geographic scope of HBE</p>	<p>Legislature plus Governor, plus possibly other states</p>	<p>Statewide, a set of non-overlapping sub-state HBEs, or a multi-state HBE</p>
<p>September 2010-March 2013</p> <p>This must be decided in time for insurers and consumers to know which markets they will have access to, especially for insurers so they can formulate prices/bids in time for enrollment starting in January 2014. But small firms are also going to want to know at least a year in advance. It should also be decided before the final construction design of the information systems necessary to operate an exchange.</p>	<p>How small is “small group?”</p>	<p>Legislature plus Governor</p>	<p>Initially, for 2014, firms with fewer than 50 FTE have to allowed to enter and purchase health insurance through the HBE if they want to. From 2014-2016, states can limit firm size to 50. After 2016, up to 100 must be allowed in. larger firms would be allowed in at state option after 2016.</p>

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<p>September 2010-March 2013</p> <p>This must be decided in time for insurers and consumers to know “where” their market will be, especially for insurers so they can formulate prices/bids in time for enrollment starting in January 2014. But small firms are also going to want to know at least a year in advance. And if the decision is to meld the markets, the sooner that decision is made clear the better, for both insurers and employers will need time to adjust to the rating implications of melding. It should also be decided before the final construction design of the information systems necessary to operate an exchange.</p>	<p>Whether to meld the non-group and small group markets or to keep them separate</p>	<p>Legislature plus Governor</p>	<p>To preserve or erase product and risk pooling distinctions between small group and individual markets. States can revisit this over time as well.</p>
<p>September 2010-March 2012</p>	<p>Governance</p>	<p>Legislature plus Governor</p>	<p>Types of Individuals who would be on governing body and/or in leadership positions for the HBE, and how they will be selected, dates of selection and terms of service on governing Board, if applicable</p>

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September 2010-March 2012	Governance	Legislature plus Governor	Whether to create a new state agency, place authority for the HBE in an existing or possibly shared between two (or more) current agencies, or to designate an existing or to create a new non-profit entity that would operate the HBE
September 2010-March 2012	Creation	COV executive branch	Whether to ask the legislature to create a state exchange or not
Late 2010/Early 2011	Regulations and Guidance from HHS on rules and freedoms states have in designing a HBE	HHS, after consultation with NAIC, the states, the Congress, stakeholders and experts; expected in December 2010 or January 2011	This will lay out the full range of options, and restrictions, on states in designing and operating a HBE
October 1, 2011	Report to HHS on progress made with HBE planning grant	DHHR	Results of what contractors and analysis has led DHHR to conclude about the choices facing COV
September 2010-September 2011	Hire contractors and analysts to provide technical assistance to DHHR/COV re: HBE	DHHR	What issues to address and in what order, what legislation to request in 2011 session and what in 2012
November 2010- January 2014	Renew grants to enable states to become operational	HHS, based on progress reported by DHHR	Eligibility, enrollment rules and procedures

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September 1, 2010	To apply to US HHS for 1 year HBE planning grant, of up to \$1m, or not	DHHR, State executive branch	<p>To apply or not, to acquire technical assistance funds to explore the options COV has for creating a HBE that will satisfy the requirements of future state laws and PPACA, as well as interface appropriately DMAS, BOI, HHS, and IRS, as well as insurers, employers, and individual potential customers</p> <p>COV has already applied for and received the planning grant.</p>